

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Financial Statements and
Supplementary Information

June 30, 2023 and 2022

(With Independent Auditors' Report Thereon)

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 12
Financial Statements:	
Statements of Net Position	13
Statements of Revenue, Expenses and Changes in Net Position	14
Statements of Cash Flows	15 - 16
Notes to Financial Statements	17 - 22

* * * * *

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Herbert H. Lehman College Association
for Campus Activities, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Herbert H. Lehman College Association for Campus Activities, Inc. (the Association), as of and for the years ended June 30, 2023 and 2022, and the related notes to financial statements, which collectively comprise the Association's financial statements as listed in the table of contents.

In our opinion, the financial statements present fairly, in all material respects, the net position of Herbert H. Lehman College Association for Campus Activities, Inc. as of June 30, 2023 and 2022 and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 6, 2023

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Management's Discussion and Analysis

June 30, 2023 and 2022

The intent of Herbert H. Lehman College Association for Campus Activities, Inc. (the Association) Management's Discussion and Analysis (MD&A) is to provide readers with a comprehensive overview of the Association's financial position and changes to its financial position for the years ended June 30, 2023 and 2022. Since this MD&A is designed to focus on current activities, resulting changes, and currently known facts, it should be read in conjunction with the accompanying audited financial statements and related notes.

Financial Highlights

- The Association's net position at June 30, 2023 was \$4,825,731, increasing \$250,470 or 5% from the prior fiscal year.
- Operating revenue was \$3,301,215, decreasing \$276,742 or (8%) from the prior fiscal year.
- Operating expenses were \$3,255,917 increasing \$190,924 or 6% from the prior fiscal year.

Statement of Net Position

The statement of net position presents the assets, liabilities and net position of the Association for the year ended June 30, 2023. The statement of net position presents end-of-year data concerning assets (current and noncurrent), liabilities (current) and net position (net investment in capital assets, restricted and unrestricted). The purpose of the statement of net position is to present to the reader of the financial statements with a financial snapshot of the Association to determine the assets available to continue the operations. They are also able to determine how much the Association owes vendors (accounts payable) and how much others owe the Association (accounts receivable). The statement of net position provides an overall picture of the Association's financial ability to maintain its operations in both the long and short term.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Management’s Discussion and Analysis, Continued

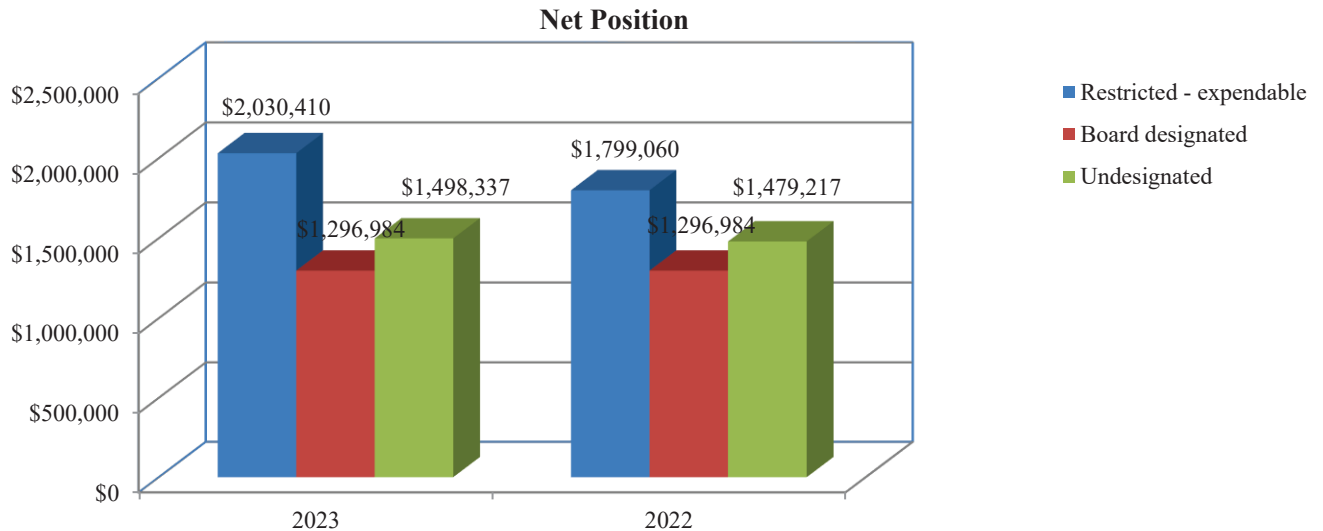
Statements of Net Position

The following summarizes the Association’s assets, liabilities and net position as of June 30, 2023 and 2022, under the accrual basis of accounting:

	<u>2023</u>	<u>2022</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets:				
Current assets	\$ 4,115,058	3,905,335	209,723	5%
Noncurrent assets	<u>1,247,977</u>	<u>1,178,046</u>	<u>69,931</u>	6%
Total assets	<u>5,363,035</u>	<u>5,083,381</u>	<u>279,654</u>	6%
Current liabilities	<u>537,304</u>	<u>508,120</u>	<u>29,184</u>	6%
Net position:				
Restricted - expendable	2,030,410	1,799,060	231,350	13%
Unrestricted:				
Board designated	1,296,984	1,296,984	-	-
Undesignated	<u>1,498,337</u>	<u>1,479,217</u>	<u>19,120</u>	1%
Total net position	<u>\$ 4,825,731</u>	<u>4,575,261</u>	<u>250,470</u>	5%

At June 30, 2023, the Association’s total net position increased \$250,470 or 5%, over the prior fiscal year. This is largely due to an increase in cash on hand from unspent earmarked student activity fees.

The following illustrates the Association’s net position at June 30, 2023 and 2022 by category:



HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Management's Discussion and Analysis, Continued

The following summarizes the Association's assets, liabilities and net position as of June 30, 2022 and 2021, under the accrual basis of accounting:

	<u>2022</u>	<u>2021</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets:				
Current assets	\$ 3,905,335	3,059,793	845,542	28%
Noncurrent assets	<u>1,178,046</u>	<u>1,226,548</u>	<u>(48,502)</u>	(4%)
Total assets	<u>5,083,381</u>	<u>4,286,341</u>	<u>797,040</u>	19%
Current liabilities	<u>508,120</u>	<u>162,481</u>	<u>345,639</u>	213%
Net position:				
Restricted - expendable	1,799,060	1,362,267	436,793	32%
Unrestricted:				
Board designated	1,296,984	1,296,984	-	-
Undesignated	<u>1,479,217</u>	<u>1,464,609</u>	<u>14,608</u>	1%
Total net position	\$ <u>4,575,261</u>	<u>4,123,860</u>	<u>451,401</u>	11%

At June 30, 2022, the Association's total net position increased \$451,401 or 11%, over the prior fiscal year. This was largely due to an increase in cash on hand from unspent earmarked student activity fees due to the limited number of on campus activities as a result of the COVID-19 pandemic.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Management's Discussion and Analysis, Continued

Statements of Revenue, Expenses and Changes in Net Position

The statements of revenue, expenses and changes in net position present the operating results of the Association, as well as nonoperating revenue and expenses, if any. The major components of revenue for the years ended June 30, 2023 and 2022 are as follows:

Revenue

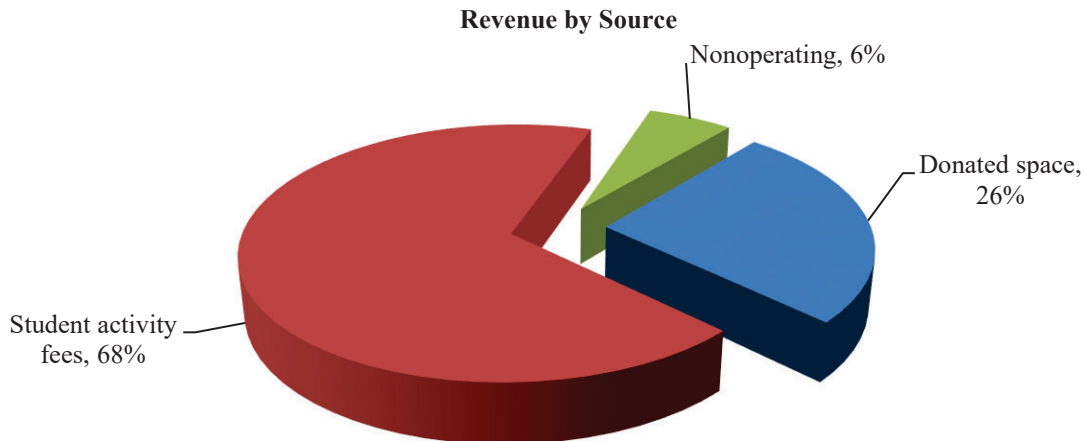
	<u>2023</u>	<u>2022</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Student activity fees	\$ 2,373,735	2,580,916	(207,181)	(8%)
Donated space	<u>927,480</u>	<u>997,041</u>	<u>(69,561)</u>	(7%)
Total operating revenue	3,301,215	3,577,957	(276,742)	(8%)
Nonoperating revenue	<u>205,172</u>	<u>(61,563)</u>	<u>266,735</u>	433%
Total revenue	\$ <u>3,506,387</u>	<u>3,516,394</u>	<u>(10,007)</u>	(1%)

The Association's total revenue, operating and nonoperating, for the year ended June 30, 2023 was \$3,506,387, a decrease of \$10,007 or (1%), from the prior fiscal year. This decrease is primarily due to a decline in student activity fee revenue due to lower enrollment.

Student activity fees represented approximately 68% of total revenue and, accordingly, the Association is dependent upon this support to carry out its operations.

There were no other significant or unexpected changes in the Association's revenue.

The following illustrates the Association's total revenue by source, for the year ended June 30, 2023:



HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Management's Discussion and Analysis, Continued

Presented for comparative purposes are the major components of revenue for the years ended June 30, 2022 and 2021:

Revenue

	<u>2022</u>	<u>2021</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Student activity fees	\$ 2,580,916	2,726,979	(146,063)	(5%)
Donated space	<u>997,041</u>	<u>881,106</u>	<u>115,935</u>	13%
Total operating revenue	3,577,957	3,608,085	(30,128)	(1%)
Nonoperating revenue	<u>(61,563)</u>	<u>492,634</u>	<u>(554,197)</u>	(113%)
Total revenue	\$ <u>3,516,394</u>	<u>4,100,719</u>	<u>(584,325)</u>	(14%)

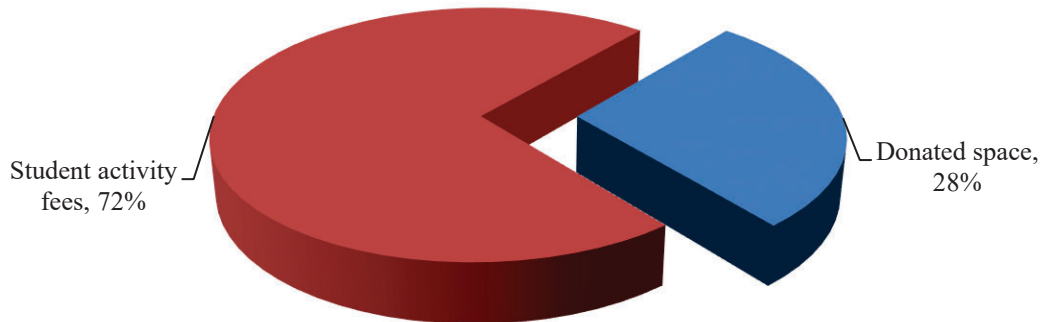
The Association's total revenue, operating and nonoperating, for the year ended June 30, 2022 was \$3,516,394, a decrease of \$584,325 or 14%, from the prior fiscal year. This decrease is primarily due to a decline in student activity fee revenue due to lower enrollment and a decline in the market value of Association investments held in the CUNY investment pool.

Student activity fees represented approximately 72% of total revenue and, accordingly, the Association is dependent upon this support to carry out its operations.

There were no other significant or unexpected changes in the Association's revenue.

The following illustrates the Association's total revenue by source, for the year ended June 30, 2022:

Revenue by Source



HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Management's Discussion and Analysis, Continued

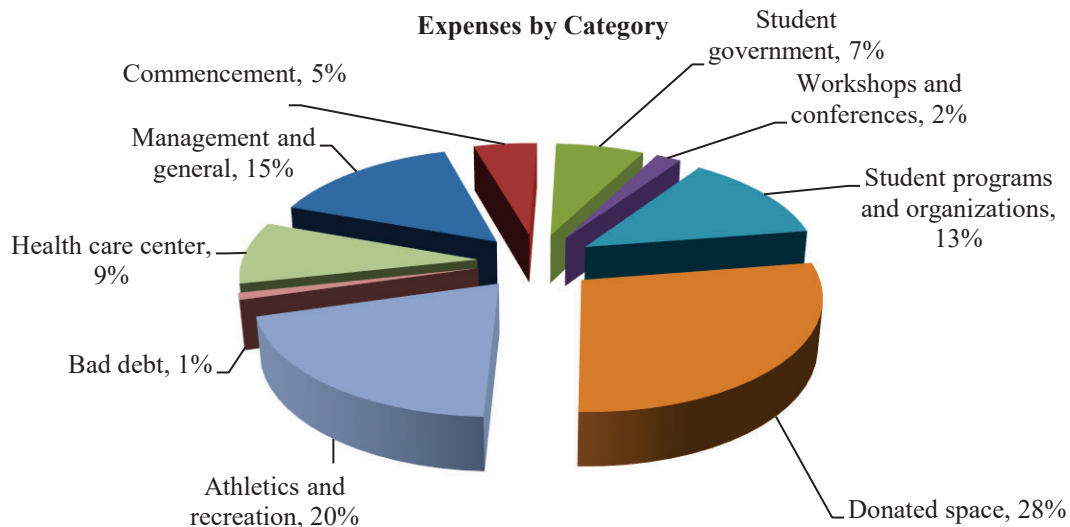
The major components of expenses for the years ended June 30, 2023 and 2022 are as follows:

Expenses

	<u>2023</u>	<u>2022</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Student government	\$ 234,252	187,771	46,481	25%
Communications media	13,710	5,496	8,214	149%
Workshops and conferences	54,714	50,319	4,395	9%
Commencement	151,732	121,152	30,580	25%
Student programs and organizations	431,354	255,667	175,687	69%
Donated space	927,480	997,041	(69,561)	(7%)
Athletics and recreation	638,762	547,821	90,941	17%
Health care center	297,814	324,176	(26,362)	(8%)
Management and general	478,811	575,550	(96,739)	(17%)
Bad debt	<u>27,288</u>	<u>-</u>	<u>27,288</u>	100%
Total operating expenses	\$ <u>3,255,917</u>	<u>3,064,993</u>	<u>190,924</u>	6%

Total operating expenses for the year ended June 30, 2023 were \$3,255,917, an increase of \$190,924 or 6%, compared to the prior fiscal year. This is primarily due to an increase in all student association activities as the college returned to a complete reopening after the COVID-19 pandemic.

The following illustrates the Association's total expenses by category, for the year ended June 30, 2023.



HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Management's Discussion and Analysis, Continued

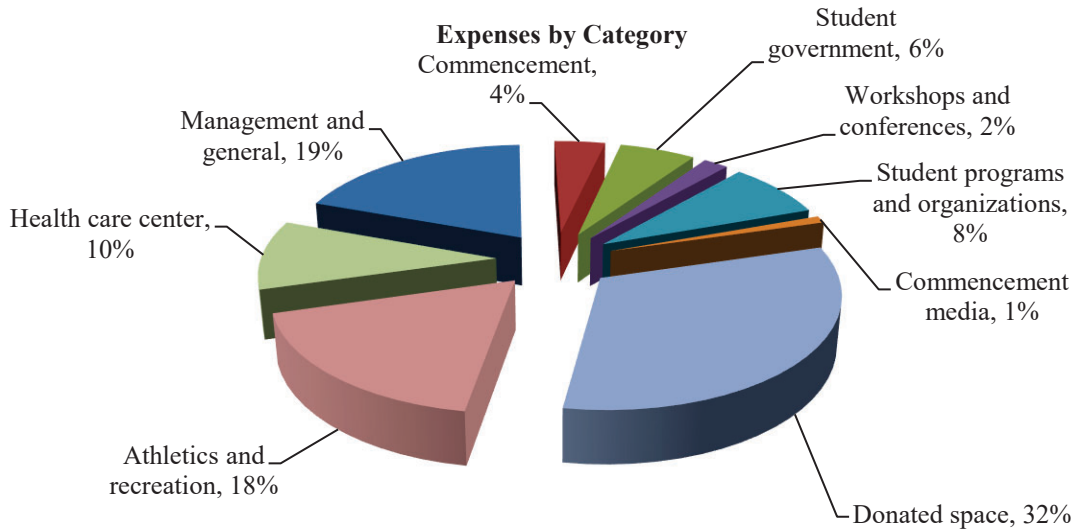
Presented for comparative purposes are the Association's operating expenses for the fiscal years ending June 30, 2022 and 2021.

Expenses

	<u>2022</u>	<u>2021</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Student government	\$ 187,771	99,787	87,984	88%
Communications media	5,496	200	5,296	2,648%
Workshops and conferences	50,319	36,613	13,706	37%
Commencement	121,152	22,814	98,338	431%
Student programs and organizations	255,667	177,312	78,355	44%
Donated space	997,041	881,106	115,935	13%
Athletics and recreation	547,821	263,254	284,567	108%
Health care center	324,176	338,196	(14,020)	(4%)
Management and general	575,550	697,576	(122,026)	(17%)
Depreciation	<u>-</u>	<u>1,361</u>	<u>(1,361)</u>	(100%)
Total operating expenses	\$ <u>3,064,993</u>	<u>2,518,219</u>	<u>546,774</u>	22%

Total operating expenses for the year ended June 30, 2022 were \$3,064,993, an increase of \$546,774 or 22%, compared to the prior fiscal year. This was primarily due to an increase in on campus athletic and recreational activities as the college began returning to campus after being fully remote in fiscal year 2021 on account of the COVID-19 pandemic.

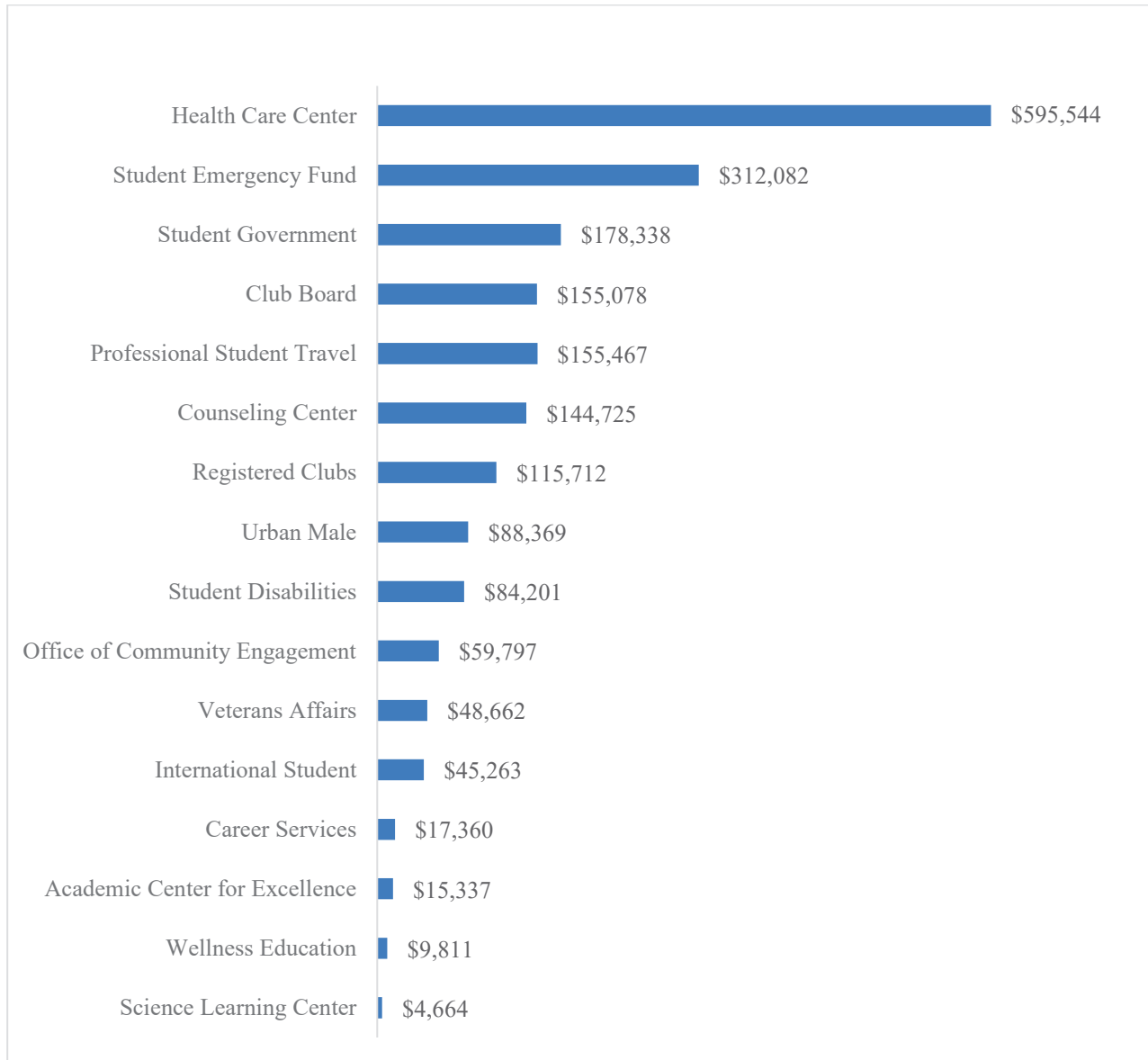
The following illustrates the Association's total expenses by category, for the year ended June 30, 2022.



HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Management's Discussion and Analysis, Continued

The following graph is a breakdown of the unrestricted net assets by earmark as of June 30, 2023.



HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Management's Discussion and Analysis, Continued

Cash Flows

The statement of cash flows provides information about cash receipts and cash payments during the year. The statement assists users in assessing the Association's ability to generate cash flows, meet its obligations as they come due, and measure its dependency on external financing. Net cash used by operating activities was \$114,528.

Economic Factors That May Affect the Future

There are no known economic factors that may influence the future, except student enrollment, which directly relates to the amount of revenue earned, related expenses incurred and operational adjustments.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.
Statements of Net Position
June 30, 2023 and 2022

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and equivalents	\$ 2,775,012	2,797,820
Investments in CUNY investment pool, short-term (note 4)	51,999	49,085
Due from related parties (note 7)	1,001,485	906,470
Student loans receivable	2,403	2,403
Deposits held in custody for others, net (note 8)	33,470	74,077
Prepaid expenses	<u>250,689</u>	<u>75,480</u>
Total current assets	<u>4,115,058</u>	<u>3,905,335</u>
Noncurrent assets - investments in CUNY investment pool, long-term (note 4)	<u>1,247,977</u>	<u>1,178,046</u>
Total assets	<u>5,363,035</u>	<u>5,083,381</u>
 <u>Liabilities</u> 		
Current liabilities:		
Accounts payable and accrued expenses	492,355	434,043
Unearned revenue	11,479	-
Deposits held in custody for others, net (note 8)	<u>33,470</u>	<u>74,077</u>
Total current liabilities	<u>537,304</u>	<u>508,120</u>
 <u>Net Position</u> 		
Restricted - expendable	2,030,410	1,799,060
Unrestricted - board designated (note 9)	1,296,984	1,296,984
Unrestricted - undesignated	<u>1,498,337</u>	<u>1,479,217</u>
Total net position	<u>\$ 4,825,731</u>	<u>4,575,261</u>

See accompanying notes to financial statements.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.
Statements of Revenue, Expenses and Changes in Net Position
Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating revenue:		
Student activity fees	\$ 2,373,735	2,580,916
Donated space (note 6)	<u>927,480</u>	<u>997,041</u>
Total operating revenue	<u>3,301,215</u>	<u>3,577,957</u>
Operating expenses:		
Student government	234,252	187,771
Communications media	13,710	5,496
Workshops and conferences	54,714	50,319
Commencement	151,732	121,152
Student programs and organizations	431,354	255,667
Donated space (note 6)	927,480	997,041
Athletics and recreation	638,762	547,821
Health care center	297,814	324,176
Management and general	478,811	575,550
Bad debit	<u>27,288</u>	<u>-</u>
Total operating expenses	<u>3,255,917</u>	<u>3,064,993</u>
Income from operations	<u>45,298</u>	<u>512,964</u>
Nonoperating revenue (expenses):		
Interest income	19,467	15,053
Net gains (losses) on investments	54,876	(75,129)
Contributions	5,994	979
Other income	124,835	-
College support	<u>-</u>	<u>(2,466)</u>
Total nonoperating revenue (expenses)	<u>205,172</u>	<u>(61,563)</u>
Change in net position	250,470	451,401
Net position at beginning of year	<u>4,575,261</u>	<u>4,123,860</u>
Net position at end of year	<u>\$ 4,825,731</u>	<u>4,575,261</u>

See accompanying notes to financial statements.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.
Statements of Cash Flows
Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash receipts from - student activity fees	\$ 2,290,199	2,507,510
Cash payments to/for:		
Salaries, benefits and taxes	(786,095)	(1,198,461)
Conferences, conventions and meeting	(67,422)	(41,992)
Vendors and other	<u>(1,551,210)</u>	<u>(382,825)</u>
Net cash provided by (used in) operating activities	<u>(114,528)</u>	<u>884,232</u>
Cash flows from noncapital financing activities:		
Decrease in deposits held in custody for others	(40,607)	(537)
Contributions	5,994	979
Other income	124,835	-
College support	<u>-</u>	<u>(2,466)</u>
Net cash used in noncapital financing activities	<u>90,222</u>	<u>(2,024)</u>
Cash flows from investing activities:		
Interest income	19,467	15,053
Reinvestment of interest received	<u>(17,969)</u>	<u>(13,706)</u>
Net cash provided by investing activities	<u>1,498</u>	<u>1,347</u>
Net change in cash and equivalents	(22,808)	883,555
Cash and equivalents at beginning of year	<u>2,797,820</u>	<u>1,914,265</u>
Cash and equivalents at end of year	<u>\$ 2,775,012</u>	<u>2,797,820</u>

(Continued)

See accompanying notes to financial statements.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.
Statements of Cash Flows, Continued

	<u>2023</u>	<u>2022</u>
Reconciliation of income from operations to net cash provided by (used in) operating activities:		
Income from operations	\$ 45,298	512,964
Adjustments to reconcile income from operations to net cash provided by (used in) operating activities:		
Bad debt	27,288	-
Changes in:		
Due from related parties	(122,303)	(69,520)
Deposits held in custody for others	40,607	537
Prepaid expenses	(175,209)	94,075
Accounts payable and accrued expenses	58,312	350,062
Unearned revenue	<u>11,479</u>	<u>(3,886)</u>
Net cash provided by (used in) operating activities	<u>\$ (114,528)</u>	<u>884,232</u>

See accompanying notes to financial statements.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Notes to Financial Statements

June 30, 2023 and 2022

(1) Nature of Organization

The Herbert H. Lehman College Association for Campus Activities, Inc. (the Association) is a nonprofit entity created for the principal purpose of developing and cultivating educational, social, cultural, and recreational activities among students of Lehman College (the College) of the City University of New York (CUNY or the University). The Association's revenue is derived primarily from student activity fees levied by a resolution of the Board of Director's of the University and collected by the College on the Association's behalf. The Association was incorporated on February 24, 1984.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The Association's accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and applicable Governmental Accounting Standards Board (GASB) pronouncements.

For financial reporting purposes, the Association is considered to be a special-purpose entity engaged only in business-type activities. GASB defines business-type activities as activities financed in whole or in part by fees charged to external parties for goods or services. Accordingly, the accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP, as prescribed by GASB. For financial reporting purposes, the Association is also considered to be a discretely presented component unit of the University, as defined by GASB.

(b) Net Position

The Association's resources are classified into the following net position categories:

Net investment in capital assets - Capital assets, net of accumulated depreciation and outstanding principal balances of debt, if any, attributable to the acquisition, construction, or improvement of those assets.

Restricted - non-expendable - Net position subject to externally imposed stipulations requiring the Association to maintain them in perpetuity.

Restricted - expendable - Net position whose use is subject to externally imposed stipulations that can be fulfilled by the actions of the Association or the passage of time.

Unrestricted - All other net position, including net position designated by actions, if any, of the Association's Board of Directors.

At June 30, 2023 and 2022, the Association had a restricted - expendable net position balance of \$2,030,410 and \$1,799,060, respectively.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(c) Cash and Equivalents

Cash and equivalents are comprised of highly liquid instruments with original maturities of 90 days or less.

(d) Receivables

Receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

(e) Investments

The Association has investments held by CUNY in an investment pool which is under the control of the Committee on Fiscal Affairs of the Board of Trustees of CUNY (the Committee) totaling \$1,299,976 and \$1,227,131 at June 30, 2023 and 2022, respectively. Several investment advisory firms are engaged to assist the Committee in its investment pool portfolio management, which is comprised of cash and cash equivalents, corporate bonds, equities, mutual funds, U.S. agency mortgage-backed securities, U.S. government bonds and foreign bonds. Realized and unrealized gains and losses are included in the statements of revenue, expenses and changes in net position.

(f) Capital Assets

Capital assets are stated at cost at the date of acquisition or fair value at the date of contribution, if donated. In accordance with the Association's capital asset policy, capital assets are defined as any asset with a useful life of at least five years and a cost or value at the time of receipt of \$5,000 or more for all computer, furniture, equipment and \$25,000 or more for building improvements. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expense categories. The estimated useful life of furniture, fixtures and equipment is five years and the estimated useful life of building improvements is 25 years.

(g) Revenue Recognition

Operating revenue is recognized in the period earned and is primarily derived from student activity fees. Fees that are collected prior to year-end, if any, relating to the subsequent year are recorded as unearned revenue.

(h) Donated Space

The Association operates on the campus of the College and, utilizes office space made available to it. The cost savings associated with such arrangements are recorded as donated space and are recognized as revenue and expenses in the accompanying financial statements based on the fair value of such facilities (note 6).

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(i) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(j) Subsequent Events

The Association has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(k) Income Taxes

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), therefore, no provision for income taxes is reflected in the financial statements. The Association has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Association presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Association has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Association are subject to examination by taxing authorities.

(l) Reclassifications

Reclassifications have been made to certain 2022 balances in order to conform them to the 2023 presentation.

(3) Cash and Equivalents and Investments

(a) Custodial Credit Risk - Deposits

Custodial credit risk of deposits is the risk that the Association's deposits may not be returned in the event of a bank failure. At June 30, 2023, \$2,604,556 of the Association's \$2,854,556 bank balance was exposed to custodial credit risk. At June 30, 2022, \$2,595,151 of the Association's \$2,845,151 bank balance was exposed to custodial credit risk.

(b) Custodial Credit Risk - Investments

Custodial credit risk as it relates to investments is the risk that in the event of failure of the counterparty of a transaction, the Association will not be able to recover the value of its investment portfolio that is in the possession of that failed counterparty. At June 30, 2023 and 2022, the Association's entire investment portfolio balance of \$1,299,976 and \$1,227,131, respectively, was exposed to custodial credit risk, as it was uninsured and uncollateralized.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Notes to Financial Statements, Continued

(4) Investments in CUNY Investment Pool and Related Investment Income

The Association's investments in the CUNY investment pool are comprised of assets which are pooled and invested by and under the control of the Committee. Pooled investments include equity and fixed income securities. Investments as of June 30, 2023 and 2022, are comprised of the following:

	<u>2023</u>	<u>2022</u>
Investments in CUNY investment pool, short-term	\$ 51,999	49,085
Investments in CUNY investment pool, long-term	<u>1,247,977</u>	<u>1,178,046</u>
	<u>\$ 1,299,976</u>	<u>1,227,131</u>

The following table summarizes the activity of investments for the years ended June 30, 2023 and 2022:

Balance at June 30, 2021		\$ 1,288,554
Interest and dividends		13,706
Realized gains		34,658
Unrealized losses		<u>(109,787)</u>
Balance at June 30, 2022		1,227,131
Interest and dividends		17,969
Realized gains		19,573
Unrealized gains		<u>35,303</u>
Balance at June 30, 2023		<u>\$ 1,299,976</u>

A summary of investment income (loss) from the CUNY investment pool for the years ended June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 17,969	13,706
Realized gains	19,573	34,658
Unrealized gains (losses)	<u>35,303</u>	<u>(109,787)</u>
Total investment income (loss)	<u>\$ 72,845</u>	<u>(61,423)</u>

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Notes to Financial Statements, Continued

(5) Capital Assets

At June 30, 2023 and 2022, capital assets consisted of the following:

	2023			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Furniture and equipment	\$ 221,059	-	(62,351)	158,708
Less accumulated depreciation	(221,059)	-	62,351	(158,708)
Capital assets, net	\$ -	-	-	-
	2022			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Furniture and equipment	\$ 221,059	-	-	221,059
Less accumulated depreciation	(221,059)	-	-	(221,059)
Capital assets, net	\$ -	-	-	-

(6) Donated Space

The Association utilizes certain facilities provided by the College. The estimated fair values of facilities are included in the accompanying statements of revenue, expenses and changes in net position. The value of the donated facilities amounted to \$927,480 and \$997,041 for the years ended June 30, 2023 and 2022, respectively.

(7) Related Party Transactions

At June 30, 2023 and 2022, the Association was due a total of \$1,001,485 and \$906,470, respectively, from Lehman College, CUNY Research Foundation (CUNY RF) and Lehman College Auxiliary Enterprise Corporation. The Association is occasionally required to transfer funds to/from Lehman College, CUNY RF and other related entities during the course of the year for payroll, reimbursements and other such costs.

The Association has invested \$1,299,976 and \$1,227,131 as of June 30, 2023 and 2022, respectively, in the CUNY investment pool (note 4).

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Notes to Financial Statements, Continued

(8) Deposits Held in Custody for Others

At June 30, 2023 and 2022, the Association held \$33,470 and \$74,077, respectively, which related to deposits held in custody for others, and is comprised of funds which are held on behalf of various other Lehman College departments.

(9) Board Designated Net Position

As of June 30, 2023 and 2022, the board designated net position amounted to \$1,296,984, of which \$1,132,030 is for Student Life Building renovation, \$14,954 for Emergency Loan fund and \$150,000 for the Student Health Care Center.

(10) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 99 - Omnibus 2022. Effective for various periods through fiscal years beginning after June 15, 2023.

Statement No. 101 - Compensated Absences. Effective for fiscal years beginning after December 15, 2023.